

S E C R E T

Copy 4 of 5

6 September 1972

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MEMORANDUM FOR: Deputy Director for Science and Technology

SUBJECT: Draft of Program Execution Procedure

1. The attached draft was routed to us by O/PPB. Mr. Briggs has asked that we review it and be prepared to discuss it at a Planning Officers' Meeting to be held in "the next few days."

2. There are no major surprises in this memorandum from previous documents on this subject, but there are several items which I would like to point out and upon which you may wish to comment:

a. After DCI approval of an operating plan, no further approval of contractual actions would be required. However, actions in excess of \$200K will require "notification of imminent action" NLT five working days "before the action is to take place." This will raise the limit on contracts from the current \$150K level but still requires an ExDir approval of sorts. (Page 1, Para. 2.)

b. The authority to reprogram funds at DD discretion (Page 2, Para. 3) appears to be a definite advantage. Current policy requires O/PPB approval of switching of funds from one subcategory to another.

c. Accommodation for resubmitting plans for DCI decision, after the fiscal year commences (Page 2, Para. 4), is to the advantage of ORD. In the past, their planning documents (CIS, Quarterly Reviews) have been less than 50% effective. (This situation has changed since Dr. Stevens assumed command of the office. In the first quarter, to date, ORD has had only one unplanned contractual action.)

d. Para. 7 on Page 3 is the essential "fly in the ointment." As in the past, it is probable there will always be a necessity to realign Agency spending late in the fiscal year. Since only R&D funds remain unencumbered, they must bear the brunt of the

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3. In the attachment to this draft, O/PPB spells out the specifics needed to tailor this directive to DD/S&T. Everything is relatively straightforward except for Para 2.b. While setting the S&T contractual limit for actions without DCI notification at \$200K, the memorandum throws in what could be a stumbling block. The statement is made in the last sentence, "These standards apply to all activities, whether funded by CIA or by other Government agencies." If this can be construed to include NRO [REDACTED] funding, SPS, OSP, OSA, and OEL will have to notify the DCI/ExDir at least 5 days in advance of all actions in excess of \$200K. (In a conversation with [REDACTED] he stated [REDACTED] definitely meant to include NRO [REDACTED] but he may be "open to negotiation." I feel we should express strong disagreement with this policy.)

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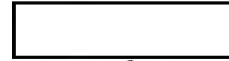
Chief
Plans and Programs Branch

Attachment:
As stated above

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